



**December 2005**

## **2005-07 Higher Education Supplemental Operating Budget Recommendations**

### **Background**

State law directs the Higher Education Coordinating Board (HECB) to “review and evaluate the operating and capital budget requests from four-year institutions and the community and technical college system.” This directive also refers to supplemental budget requests.

The state’s public colleges and universities have submitted operating supplemental budget requests for consideration during the 2006 legislative session. The HECB fiscal committee met on December 1 to discuss these requests and to formulate recommendations for board action. The committee members are Mike Worthy, Ethelda Burke, Bill Grinstein, and Roberta Greene. The fiscal committee’s funding recommendations and comments are presented below.

### **Board Action Requested**

At the December 15 HECB meeting, the board’s fiscal committee will present the higher education budget recommendation and seek the full board’s endorsement to forward it to the legislature by January 1, 2006.

### **Overview**

During the current biennium, the state has provided \$3 billion in state general funds to higher education. To expand access to higher education and maintain its quality, the board’s fiscal committee is now recommending enhancements of \$23.3 million during the second year of the 2005-07 biennium. This would increase higher education appropriations to \$3.1 billion — an increment of 1.4 percent over the original biennial appropriation.

The board’s fiscal committee reviewed both the institutions’ proposed budgets and the board’s own budget priorities in developing the recommendation that appears below. The board’s budget priorities are represented by its 2005-07 biennial budget guidelines, published December 2003, and its *2004 Strategic Master Plan for Higher Education*.

**Enrollment Increases**

- The 2004 master plan contains the state's goal to increase opportunities for students to earn degrees and sets targets for college graduation and degree completion. The master plan also calls for higher education to respond to the state's economic needs.
- The 2005 *State and Regional Needs Assessment*, published by the board in November 2005, calls for increases in opportunities for students to earn degrees in response to the needs of students, employers, and communities throughout the state.
- Regular increases in funding in all sectors are key to achieving the goals of the master plan and to meeting the needs of the state's students, employers, and communities.

**Quality Enhancement**

- A core value of the 2004 master plan is that "our entire society benefits from a strong higher education system, so everyone should share the responsibility for its quality."
- Quality can be increased both through improvements in efficiency and improvements in effectiveness.
- The state should identify sources of funding that will help colleges and the state increase the efficiency and effectiveness of educational programs and services.

To those ends, the HECB's fiscal committee recommends the following supplemental investments in 2006.

**Targeted Enrollment Increases in 2006-07 for the Following Purposes: \$9.8 million**

The fiscal committee's enrollment recommendation contains several elements, each of which relates to different aspects of the board's goals of increasing opportunities for students to complete degrees in response to the state's identifiable economic needs:

**(1) CTC contracts: \$800,000 - 120 enrollments at \$6,303**

House Bill 1794, enacted earlier this year, authorized the State Board for Community and Technical Colleges (SBCTC) to select three community or technical colleges to enter into contracts with one or more regional universities, branch campuses, or The Evergreen State College to offer baccalaureate programs on the community or technical college campuses. The state should provide enrollment funding to support these contracts.

**(2) Applied baccalaureate degrees: \$904,000**

The state should provide planning funds to lay the groundwork for the community and technical colleges to offer applied baccalaureate degrees on a pilot basis, as authorized in HB 1794. Direct investment in two-year enrollments is not recommended at this time. Some community and technical colleges are experiencing decreases in demand for enrollment at the same time that the system is expected to add over 2,000 enrollments in academic year 2006-07.

**(3) Bachelor's degrees: branch campuses: \$630,300 - 100 enrollments at \$6,303**

State budget writers provided funding for lower-division enrollments at the branch campuses in the enacted 2005-07 budget, within the constraints of funds available. In light of the state's improved revenue outlook, the state should provide a modest increase of enrollments at branch campuses, consistent with the direction taken in the original 2005-07 budget.

- 25 FTE at UW Tacoma
- 25 FTE at UW Bothell
- 50 FTE at WSU Vancouver

**(4) Bachelor's degrees: high-demand or high-need enrollments: \$7,485,000 - 600 FTE**

Rather than funding additional general enrollment increases for the public four-year institutions in the supplemental budget, the state should resume funding for competitive high-demand enrollment allocations of 500 FTE undergraduate enrollments at an average of \$11,000 each, as well as 100 FTE graduate enrollments at an average of \$19,500 each, plus \$35,000 in administrative costs.

The publication of the board's *State and Regional Needs Assessment* identified several emerging needs that the HECB believes can best be addressed through a competitive grant program to allocate enrollment funding to institutions and programs that are best suited to meet these needs. The assessment illustrates a need for degrees in specific high-demand fields, including life and physical sciences, health care, teacher education, and technology. The needs assessment also identified a need to increase participation rates in regions with significantly lower than average college participation. These regions include the Northwest, Tri-County, Eastern, and Southwest Washington workforce development areas.

The state should provide funding (1) for new enrollments in the fields specified in the needs assessment and (2) to increase college participation among students from areas specified in the needs assessment. The HECB would oversee a competitive grant program to allocate the funding. Institutions would be asked to demonstrate that programs proposed for funding would address the high-demand fields defined in the needs assessment. As in the past, all proposals would have to demonstrate both unmet

student demand for enrollment opportunities in specified fields and the strong likelihood that graduates from the programs would be employed upon graduation in Washington state.

Due to decreases in enrollment demand in community and technical colleges, the HECB does not anticipate including those colleges in the 2006-07 competitive grant process. However, the HECB supports including the colleges in future high-demand programs.

### **Funding to Improve Retention and Graduation Rates: \$8.3 million**

This investment would produce a pool of funds to be used to improve retention and graduation rates for purposes in line with master plan goals. The amounts requested are approximately equal to the amount each institution's general fund appropriation was reduced when the institutions were given authority to raise tuition rates in the original 2005-07 budget. Institutions and the SBCTC would submit plans to the HECB describing how funds would be used to improve retention and graduation rates. Once approved by the HECB, the institutions would submit allotments to OFM and spend the funds. This enhancement would be divided among the institutions and the two-year system as follows:

▪ UW	\$2,218,000
▪ WSU	\$1,350,500
▪ CWU	\$477,500
▪ EWU	\$431,500
▪ TESC	\$196,500
▪ WWU	\$704,500
▪ CTC	\$2,942,500

### **HECB Requests for Enhancements with Potential Statewide Benefit: \$4.8 million**

#### **(1) Statewide online student advising system: \$1,640,700**

HECB-requested items include a statewide online student advising system which will allow students 24/7 access to degree requirements at public (and eventually private) institutions across the state. This planning tool will help students make informed choices about which courses to take and how the credits they've already earned will transfer to other institutions.

#### **(2) Statewide student-focused data system: \$152,200**

The HECB has also requested funds for a student unit record data system that would centralize and consistently define student-related information, allowing researchers to better analyze higher education policy issues.

**(3) GEAR UP scholarships: \$2,520,000**

In addition, the HECB has requested funds to meet a scholarship obligation to students who participated in the GEAR UP program during the state's first six-year grant period.

**(4) Administrative items: \$528,059**

Allowing HECB employees to participate in the same retirement plans as other higher education employees will help recruitment and retention while additional funding will help the board meet increased lease costs.

**Future Teachers Conditional Scholarship and Loan Repayment Program: \$1.0 million**

The HECB administers the Future Teachers program, which provides scholarships and loan repayments for college students interested in becoming teachers. The HECB Advisory Council, legislators, and members of the Washington Learns steering committee are simultaneously exploring ways to address teacher shortages in math, science, special education, and other fields. The recent release of the Washington Learns interim report has increased the urgency of this need.

The original 2005-07 budget funded \$500,000 in new conditional scholarships. The HECB received 350 applications and will fund 69 scholarships with the existing funds. An additional appropriation of \$1 million would allow the HECB to approximately triple the number of students receiving scholarships and loan repayments under the program this biennium. As a result, the state would triple the number of teachers funded by this program who would be able to enter the workforce within about two years. The state should carry forward this proposed level of funding into the 2007-09 biennium to help in meeting the projected need for highly qualified teachers.

**Table 1**  
**Fiscal Committee Recommendation**  
**2005-07 Higher Education Operating Budget**  
**December 2005**  
**Dollars in Millions**

<b>2005-07 Enacted Budget</b>	\$3,073.2		
<b>Technical Corrections</b>	\$6.6		
<b>Unexpected Energy Costs (one-time costs)</b>	\$14.0		
	<b>Higher Ed Requests</b>	<b>HECB Recommendation</b>	
<b>Allocating Student Enrollments</b>			
Two-Year Enrollments	\$0.8	\$0.8	120 enrollments at \$6,303 for CTC baccalaureate contracts
Undergraduate	\$0.0	\$0.0	high-demand or high-need only
Graduate	\$0.0	\$0.0	high-demand or high-need only
<b>Increasing enrollments in specialized fields</b>			
High-demand/high-need grant program	\$0.0	\$7.5	500 FTE at \$11,000 average; 100 FTE at \$19,500 average
<b>Increasing Student Retention and Graduation Rates</b>	\$0.0	\$8.3	Reinstate 25% of 2005-07 tuition increase
<b>Salaries and Benefits</b>			
CTC Part-Time Faculty Salaries	\$6.7	\$0.0	
CTC Faculty Prof Dvlpmnt/Experience Increments	\$2.4	\$0.0	
HECB Retirement Annuity	\$0.2	\$0.2	
<b>Expanding student financial aid</b>			
GEAR UP Scholarships	\$2.5	\$2.5	
Future Teacher Conditional Scholarships	\$0.0	\$1.0	
<b>Special Program Improvements</b>			
Accommodating Students with Disabilities	\$2.7	\$0.0	
UW Improve Disaster Response Capabilities	\$2.5	\$0.0	
UW Improve Undergraduate Retention and Graduation Rates	\$2.0	\$0.0	See systemwide recommendation above
WWU Planning for Waterfront Expansion	\$1.6	\$0.0	
CTC Digital Libraries	\$1.4	\$0.0	
CWU Tuition Waiver Authority	\$1.3	\$0.0	
UW/WSU Tech Transfer/Policy Consensus Center	\$1.1	\$0.0	
Start Up Funding for CTC Applied Baccalaureates	\$0.9	\$0.9	Authorized by HB 1794
UW Pacific NW Seismic Network	\$0.4	\$0.0	
WWU Planning & Emergency Management Program Track	\$0.3	\$0.0	
UW Policy Consensus Center	\$0.2	\$0.0	

Table 1 Continued  
**Fiscal Committee Recommendation**  
**2005-07 Higher Education Operating Budget**  
**December 2005**  
**Dollars in Millions**

	Higher Ed Requests	HECB Recommendation	
<b>Maintenance and Operations</b>			
Institutions	\$12.8	\$0.0	CTC (\$7m), UW (5.8m)
HECB Lease Increase	\$0.3	\$0.3	
<b>Helping transfer students earn baccalaureate degrees</b>	\$1.6	\$1.6	Statewide online student advising system
<b>Measuring student success with improved data system</b>	\$0.2	\$0.2	Student-focused data system
<b>Research</b>			
UW "E-Science Institute"	\$3.0	\$0.0	
UW Global Health Initiative	\$2.0	\$0.0	
WSU Agricultural Weather Network	\$0.8	\$0.0	
WSU Biologically Intensive & Organic Ag	\$0.8	\$0.0	
WWU Border Policy Research Institute	\$0.4	\$0.0	
<b>Total Increase</b>	<b>\$48.8</b>	<b>\$23.2</b>	
 <b>Total Operating Funds (General Fund - State)</b>	 <b>\$3,142.6</b>	 <b>\$3,117.0</b>	
Percentage increase 2005-07 supplemental over 2005-07 enacted		<b>1.4%</b>	
 <b>Transportation Budget Request</b>			
WWU Purchase of Lincoln Creek Transportation Center	\$3.0	\$0.0	
<b>Total Transportation Funds</b>	<b>\$3.0</b>	<b>\$0.0</b>	



December 2005

## **2005-07 Higher Education Supplemental Capital Budget Recommendations**

### **Background**

In addition to providing recommendations on supplemental operating budget requests, the Higher Education Coordinating Board (HECB) must review and make recommendations on institutions' supplemental capital budget proposals. Traditionally, both the governor and legislature have used the supplemental capital budget for the following purposes:

- To provide **technical corrections or adjustments** to appropriations or provisos contained in the biennial capital budget;
- To make **changes in project scope or purpose** and to add, modify, or clarify special conditions contained in the appropriation language of capital projects; and
- To **authorize new capital spending** for projects urgently needed to protect life, safety, and property which cannot be deferred to the regular biennial budget.

The governor and legislature have traditionally avoided the authorization of new program or preservation projects that are anticipated and included in the institutions' 10-year capital plans. These projects are customarily considered in the regular biennial budget. Additionally, for the four-year institutions, the 2003 Legislature directed (through House Bill 2151) that all major capital projects be presented in a single prioritized list for consideration in adopting the regular capital budget.

### **Summary of Higher Education Supplemental Capital Budget Requests**

Provided below is a listing of the supplemental capital project requests that have been submitted by the institutions. (Appendix A provides a description of each project request.) The project requests have been categorized by (1) those that represent technical corrections to the 2005-07 capital budget or address emergent needs that cannot be deferred and (2) those requests that would fund anticipated program or preservation projects.



As itemized below, the institutions are requesting a total of \$132 million in new capital spending authority. Of this amount, \$42 million is in state bonds. The remaining \$90 million in requested spending authority would come from local revenue bonds (Certificates of Participation) or other non-state fund sources.

<b>University of Washington</b>	<b>Total</b>	<b>State Appropriated</b>	<b>Local/Other Funds</b>
<b>Technical Adjustment/Emergent Needs</b>			
Release of Restoration Phase II Design Funds	\$0	\$0	\$0
Replace Earthquake Damaged and Non-Compliant Library Shelving	\$2,650,000	\$2,650,000	\$0
UW Tacoma Land Acquisition and Soil Remediation	\$4,700,000	\$4,700,000	\$0
<b>Other Supplemental Requests</b>			
Friday Harbor Dock Replacement	\$2,000,000	\$2,000,000	\$0
Biological Structures Federal Grant Match	\$8,000,000	\$4,000,000	\$4,000,000
MHSC H-Wing Renovation	\$4,000,000	\$4,000,000	\$0
Undergraduate Chemistry Laboratory Remodels	\$6,000,000	\$3,000,000	\$3,000,000
Nanotechnology Research Program	\$6,000,000	\$4,500,000	\$1,500,000
Emergency Operations Center	\$2,000,000	\$1,000,000	\$1,000,000
<b>Total</b>	<b>\$35,350,000</b>	<b>\$25,850,000</b>	<b>\$9,500,000</b>

<b>Washington State University</b>	<b>Total</b>	<b>State Appropriated</b>	<b>Local/Other Funds</b>
<b>Technical Adjustment/Emergent Needs</b>	\$0	\$0	\$0
<b>Other Supplemental Requests</b>			
Biotechnology Life Sciences Building	\$63,000,000	\$0	\$63,000,000
<b>Total</b>	<b>\$63,000,000</b>	<b>\$0</b>	<b>\$63,000,000</b>

<b>Central Washington University</b>	<b>Total</b>	<b>State Appropriated</b>	<b>Local/Other Funds</b>
<b>Technical Adjustment/Emergent Needs</b>			
Replace Chiller	\$2,000,000	\$2,000,000	\$0
<b>Other Supplemental Requests</b>	\$0	\$0	\$0
<b>Total</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$0</b>

<b>Eastern Washington University</b>	<b>Total</b>	<b>State Appropriated</b>	<b>Local/Other Funds</b>
<b>Technical Adjustment/Emergent Needs</b>	\$0	\$0	\$0
<b>Other Supplemental Requests</b>			
Patterson Hall Renovation (pre-design/design)	\$2,000,000	\$2,000,000	\$0
Martin-Williamson Hall Remodel (pre-design/design)	\$2,000,000	\$2,000,000	\$0
<b>Total</b>	<b>\$4,000,000</b>	<b>\$4,000,000</b>	<b>\$0</b>

<b>Community and Technical Colleges</b>	<b>Total</b>	<b>State Appropriated</b>	<b>Local/Other Funds</b>
<b>Technical Adjustment/Emergent Needs</b>			
Highline West Primary Power Feed Branch	\$1,717,000	\$1,717,000	\$0
Inflation Reserve Account	\$3,000,000	\$3,000,000	\$0
<b>Other Supplemental Requests</b>			
Skagit Valley Campus Fire Loop	\$1,634,000	\$1,634,000	\$0
Green River Campus Water System	\$1,951,000	\$1,951,000	\$0
Seattle Central Bulkhead, Pier and Harbor Dredging	\$1,856,000	\$1,856,000	\$0
Clark College – Corporate Education Center (change purpose of previously authorized COP)	\$9,100,000	\$0	\$9,100,000
Edmonds Student Union and Bookstore	\$8,500,000	\$0	\$8,500,000
<b>Total</b>	<b>\$27,758,000</b>	<b>\$10,158,000</b>	<b>\$17,600,000</b>

<b>Total Higher Education</b>	<b>\$132,108,000</b>	<b>\$42,008,000</b>	<b>\$90,100,000</b>
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## Recommendation

1. The board recommends that the governor and legislature support funding for the supplemental project requests that fall within the traditional criteria for supplemental budget funding (technical corrections and emergent needs). These projects total \$14.1 million in state funds.
2. The board also recognizes that the other supplemental requests, totaling \$118 million (\$28 million in state funds and \$90 million in local funds), while not addressing unanticipated or emergent needs, have significant merit and, accordingly, deserve consideration by the governor and legislature. However, the board will defer a recommendation on these projects for supplemental funding, pending further review by the governor and legislature.

## Appendix A Project Descriptions

<b>University of Washington</b>
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**Release of Restoration Phase II Design Funds: \$0**

As required by the 2005-07 capital budget, the University of Washington will request release of Phase II design funding for the university's restoration program (Savery Hall, Clark Hall, and the Playhouse Theatre). Pre-design documents for these major restoration projects will be submitted to the legislative fiscal committees and to the Office of Financial Management in December for review and approval. This item is simply requesting the release of previously appropriated design funds for these projects.

**UW Tacoma Land Acquisition and Soil Remediation: \$4,700,000**

\$4.7 million will be requested for acquisition and required soil remediation for additional properties at the UW Tacoma campus. \$5.5 million for this purpose was requested but not funded during the 2005-07 legislative session. \$4 million is needed during 2006 for acquisition of certain target properties within the UW Tacoma campus boundaries. These properties are identified as targets for immediate purchase because they are poised to be developed or marketed for sale. An additional \$700,000 is needed to complete necessary remediation of contaminated soils and to stabilize and provide urgent roof repairs to the Joy Building.

**Replace Earthquake Damaged and Non-Compliant Library Shelving: \$2,650,000**

Most of the shelving in the Engineering Library and a significant amount of shelving in the Social Work Library were damaged or compromised as a result of the 2001 Nisqually Earthquake. Following the earthquake, the university completed a survey of all Seattle campus library shelving and determined that shelving in 14 of the university's libraries does not meet current code and would likely be compromised during a future earthquake. The university sought support through the Federal Emergency Management Agency mitigation grant program but was not selected for funding. A phased program for replacing non-compliant shelving has been developed. The university has allocated minor works preservation funds in the amount of \$350,000 for Phase I of the shelving replacement during 2005-07. An additional \$2,650,000 will be requested from the state to fund the remaining phases of shelving replacement.

**Friday Harbor Dock Replacement: \$2,000,000**

The existing dock and breakwater structures at Friday Harbor Laboratories have been evaluated for safety and structural integrity issues (including an underwater survey and it has been determined that significant portions of the dock — including decking and utilities — should be replaced. \$2 million is requested for safety repairs to the dock and completion of associated structural and utility work to ensure that the dock will support required vehicular and research vessel use and that the three floating breakwaters will be stable during a severe storm.

## **Appendix A**

### **Project Descriptions**

(continued)

<b>University of Washington (continued)</b>
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**Biological Structures Federal Grant Match: \$4,000,000**

The university will request \$4 million as a 1:1 match for the proposed UW federal NCRR facilities grant for the Biological Structures Renovation project, which includes some space in the phased H-Wing renovation project.

**MHSC H-Wing Renovation: \$4,000,000**

An additional \$4 million will be requested for phase 2a of the H-Wing remodel, in order to complete infrastructure improvements on the fifth floor and achieve considerable economies in surge costs for the overall H-Wing project. This work is being accelerated in order to realize significant efficiencies in the use of the Biological Structures Renovation project funds described above.

**Undergraduate Chemistry Laboratory Remodels: \$3,000,000**

The university has initiated a phased plan to remodel and modernize the undergraduate chemistry laboratories in Bagley Hall. These laboratories, many of which have not been significantly modernized since their original construction in 1930, are heavily utilized by students from across all academic disciplines. The university has approved \$3 million in local funds to complete a portion of the next phase of the modernization project and will request a \$3 million match from the state to complete this phase.

**Nanotechnology Research Program: \$4,500,000**

The university will request \$4 million in renovation funds to allow for expansion of the nanotechnology research program and the renovation of existing space to create laboratories and offices to support this growing program.

<b>Washington State University</b>
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**COP Authority for Biotechnology Life Sciences Building: \$63,000,000**

Washington State University requests authority to utilize the state's Certificate of Participation (COP) process to finance up to \$63,000,000 (plus financing costs and expenses) to construct the WSU Biotechnology/Life Sciences Building, beginning in 2006. The COPs will be repaid through revenue earned on the university's permanent funds and deposited into the WSU Building Account. Funding capacity is available because earlier projects funded in this manner will soon be repaid. This revised request requires no state construction funding and does not affect the state's debt limit.

## Appendix A

### Project Descriptions

(continued)

#### Central Washington University

**Replace Chiller: \$2,000,000**

This request is for funding for a new 1,200 ton chiller to mitigate the risk to the teaching/learning function of the university from unreliable and insufficient capacity of existing cooling equipment. During summer 2005, one of the two chillers in the CWU central plant experienced a major mechanical failure. During the weeks required to repair this chiller, it was not possible to fully cool all of the buildings connected to the central plant. A similar chiller failure next year would result in a much greater impact on the teaching/learning function of the university because of additional new construction (a new student union and recreation facility) scheduled for completion in April 2006. In anticipation of the additional cooling load that will result from this new building and the recently opened music facility, the university had requested funding for an additional new chiller in the 2005-07 capital budget; however, this was not authorized by the legislature.

#### Eastern Washington University

**Patterson Hall Renovation (pre-design/design): \$2,000,000**

Patterson Hall, constructed in 1969, does not meet the operational, technology, or program capacity needs that are an essential part of Eastern Washington University's academic strategic plan. Patterson Hall is the largest of EWU's academic facilities at 103,000 gross square feet and houses classroom seating for 1,478 students and laboratory seating for 80. The design requested for the renovation of Patterson Hall on the Eastern Washington University campus was the highest-ranking unfunded priority for capital funding in the 2005-07 capital budget.

**Martin-Williamson Hall Remodel (pre-design/design): \$2,000,000**

Martin Hall was originally built in 1947, with its annex Williamson Hall constructed in 1977. At 91,483 gross square feet, the Martin-Williamson facility is one of EWU's largest academic buildings, with an instructional seating capacity for 1,280 students and laboratory seating for 172. Funding for the pre-design/design costs of renovating Martin-Williamson Hall on the Eastern Washington University campus was included in EWU's 2005-07 budget request.

#### State Board for Community and Technical Colleges

**Highline West Primary Power Feed Branch: \$1,717,000**

Provides for the replacement of failing transformers and deteriorating primary power cables.

## **Appendix A**

### **Project Descriptions**

(continued)

<b>State Board for Community and Technical Colleges (continued)</b>
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**Skagit Valley Campus Fire Loop: \$1,634,000**

The campus fire loop is undersized to meet the needs of sprinkler and fire hydrant protection. The City of Mount Vernon has required that the system be replaced before it will grant permits for remodel or construction of new projects.

**Green River Campus Water System: \$1,951,000**

Replace and upgrade the campus water system to bring it into code compliance.

**Seattle Central Bulkhead, Pier, and Harbor Dredging: \$1,856,000**

Bulkheads at the Seattle Maritime Academy need to be replaced, along with repair of paved surfaces damaged from the shifting bulkheads. The project also includes dredging required to make docks accessible.

**Inflation Reserve Account: \$3,000,000**

Several projects that have bid recently reflect a jump in bid pricing that exceeds allowances for escalation in respective appropriations. The magnitude of these increases cannot be absorbed by the colleges. Architects and estimators cite the recent rise in fuel costs as well as the uncertainty in material pricing, material shortages, and skyrocketing delivery pricing as the reasons for this market adjustment. This account would establish a pool of funds to address rapidly increasing inflation in building costs. To encourage colleges to take an active role in limiting the overall impact of increasing costs, this pool would be implemented on a “matching” basis, with state funds covering 50 percent of the estimated impact.

**Bellevue Community College North Center Building Purchase: -\$20,000,000**

The college is withdrawing its COP request as negotiations with the sellers failed and were terminated.

**Clark College Corporate Education Center: \$9,100,000**

This item revises the scope of a previously authorized COP project to build structured parking, canceling that project and substituting construction of a 25,000 gross square foot training center.

**Edmonds Student Union Building and Bookstore: \$8,500,000**

Students have voted to assess themselves a fee to construct a new 31,000 gross square foot student union building. Fund reserves and enterprise revenue will be used to construct a new bookstore.

**RESOLUTION NO. 05-23**

WHEREAS, It is the responsibility of the Higher Education Coordinating Board (HECB) to recommend higher education funding priorities to the legislature for regular biennial budgets as well as supplemental budget requests; and

WHEREAS, These recommendations are to be based on a review and evaluation of the operating and capital budget requests from the four-year institutions and the community and technical college system and how well these requests align with the board's budget priorities, the missions of the institutions, and the statewide strategic master plan for higher education; and

WHEREAS, The fiscal committee of the HECB met to consider the supplemental operating and capital budget requests on December 1, 2005; and

WHEREAS, The fiscal committee made recommendations and comments to the full HECB for consideration on December 15, 2005;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board adopts the recommendations of the fiscal committee, that in 2006 the legislature provide \$23.2 million in additional state investments in the higher education operating budget and \$14.1 million in additional state investments in the higher education capital budget, and supports the comments and observations offered by the committee; and

BE IT FURTHER RESOLVED, That the Higher Education Coordinating Board directs those recommendations and comments be forwarded to the legislature.

Adopted:

December 15, 2005

Attest:

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Bob Craves, Chair

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Jesus Hernandez, Secretary